

GOVERNOR GRANHOLM'S AGRICULTURAL ACCOMPLISHMENTS

Michigan's agriculture industry represents \$60.1 billion of growth and investment; it exports over a billion dollars each year and employs more than one million Michigan residents to farm, process, and promote the more than 200 crops and other products that it produces. This industry, one of Michigan's largest, is vital to the health of its economy, especially in rural parts of the state. Since she was elected in 2002, Governor Granholm has consistently fought for Michigan's agriculture industry, and she has been careful to consider its needs when formulating economic and environmental policy.

1. Protecting Our Food Supply

- **Aggressively and fairly funding food inspections.** The new budget for FY2007 includes a substantial increase in the MDA budget, including \$500,000 more for food safety and \$300,000 more for fruit and vegetable inspections to improve enforcement and facilitate trade without raising fees.
- **Emphasizing the importance of agricultural security, from the field to the fork.** The director of the MDA, Mitch Irwin, who enjoys the strong support of Governor Granholm, has brought a strong focus on food safety to the department, and the Governor has quickly responded to incidents such as the illegal importation of poultry in Troy.
- **Promoting mandatory electronic animal identification.** Under Governor Granholm Michigan became the first state in the nation to implement mandatory, electronic animal identification which allows individual animals to be traced to their points of origin. This traceability is critical to assure consumer confidence in our food supply. It will open new marketing opportunities for producers. This program will improve Michigan's reputation around the world. Evidence suggests that premiums have been paid for Michigan feeder calves because they come with verifiable traceability.
- **Acting quickly to protect farmers from weather damage.** Governor Granholm has consistently moved decisively to respond to weather damage and request federal disaster aid to protect farmers from devastating events such as the frost that virtually wiped out this year's grape crop and the wind and hail that decimated Michigan's cherries. The Governor notified the federal Department of Agriculture last week, in May 2006 and in June 2003 of damage to crops, and she immediately sought federal assistance for Michigan farmers.

2. Promote Michigan Agriculture Domestically and Abroad

- **Support for the Agricultural Enhancement Package of 2004.** Governor Granholm was proud to stand shoulder to shoulder with agricultural leadership including Farm Bureau to support passage of the Agriculture Enhancement Package of 2004, also known as the Racino package.

- **Reinvigorating the Select Michigan program.** This program helps shoppers easily identify and purchase Michigan grown, processed, or manufactured local and organic food products. Sales data from supermarkets indicate that these specific promotions have increased sales up to 111%.
- **Helping make MIATCO (Mid-America International Agri-Trade Council) and USDA Foreign Agricultural Service programs available to Michigan's commodity groups.** The Granholm administration has conducted a number of trade missions bringing buyers to Michigan and bringing Michigan producers to buyers around the world. Michigan agriculture exports are now valued at \$1 billion annually.
- **Improving the permitting and regulatory processes.** The Governor has worked hard to streamline permitting for all Michigan businesses through the MiTAPS program, and directed the DEQ to resolve its wastewater permit process for agricultural processors, a problem that has existed since the 1980s.
- **Working to create a more collegial atmosphere.** The governor has directed state government to be more responsive to the needs of interest groups and industries, including agriculture. That is why it has been a major focus of her administration to try and bridge the gap between agencies such as MDA and DEQ and between interest groups like farmers and environmentalists. We can all accomplish much more when we focus on our common interests rather than our common differences.
- **Creating the Michigan Agricultural Tourism Commission.** By joining together two of Michigan's largest industries, Governor Granholm is helping farmers by linking agriculture and urban residents and building better understanding between farmers and non-farmers. The Commission's focus is to improve promotion and signage, and is working to establish a model zoning ordinance local governments may adopt if they want to expand agricultural tourism. In addition, Governor Granholm fought for and won \$15 million to promote Michigan's great tourism opportunities to other states.
- **Supported and signed legislation allowing Michigan wineries to ship directly to consumers.** This legislation will help accelerate growth, increase market access, and create national exposure for Michigan wines.

3. Preserving Farms and Farmland

- **Reaching an historic agreement with Michigan Agriculture that allows the state to protect Michigan's water and allows Michigan agriculture to continue strong economic growth.** In February 2006, Governor Granholm signed a series of bills to protect Michigan's water and the Great Lakes against diversion. The bills were supported by all sectors of agriculture, industry, local government, business and environmental groups.

- **Providing technical environmental assistance to individual farms.** A coalition of state and federal agencies, agriculture producers, community groups, and conservation and environmental groups came together to form the Michigan Agriculture Environmental Assurance Program (MAEAP), which helps farms promote science-based environmental stewardship, and prevent or minimize agricultural pollution.
- **Bringing together the Land Use Leadership Council.** This body produced a wealth of helpful recommendations, many of which have already been implemented. The Council brought together diverse interests: farmers, real estate developers, state government, and other stakeholders. Since completion of the report, over half of the recommendations have been acted bringing more tools to local government to protect openspace and reform of state laws to make land protection easier to understand and do.
- **Protected Farmland.** More than 60,000 additional acres of farmland, wetland, and wildlife habitat has been protected on private land through a series of state programs since 2003. This includes the purchase of the Arcadia property which is largest contiguous farmland preservation purchase east of the Mississippi that will protect in perpetuity over 4,000 acres of prime fruit farmland from development and ensure it stays in farming, to support the local farmers whom have relied on it for decades.

4. Growing Michigan's Bio-Economy

- **Creating the 21st Century Jobs Fund to target four key areas of economic growth, including alternative energy and life sciences – critical areas of growth for Michigan agriculture.**
- **Using Renaissance Zones to enable agricultural producers to flourish and expand.** In July 2006, Governor Granholm signed bills to authorize the creation of 10 new Renaissance Zones for renewable energy and 10 new Renaissance Zones for agricultural processing. Over their lifetime, the 19 currently occupied APRZs are expected to generate \$578 million in investment and to create 1,282 jobs. Companies across the state have benefited, from large multi-national corporations like Kellogg to smaller companies like Zeeland Farm Services.
- **Improving Michigan's transportation infrastructure.** Governor Granholm's "fix it first" philosophy has made and continues to make badly needed improvements to Michigan's existing roads, keeping this vital infrastructure in good shape for the agricultural producers and others who rely on it.
- **Funding agricultural innovation.** Through the Michigan Department of Agriculture's Agricultural Innovation Fund (formerly the Julian-Stille Value-Added Agricultural Development Fund), the state offers grants to promote and enhance the agriculture industry by funding proposals intended to establish, retain, expand, attract, and/or develop value-added agricultural processing and related agricultural production operations in Michigan. A total of 225 grant applications were received by this year's

mid-July deadline, with grant requests totaling \$36,111,821.31. Grant awards will be announced by MDA by October 2006.

- **Providing tax credits and incentives to attract and retain Michigan's agricultural facilities.** Through the Michigan Economic Development Corporation, the Governor is investing in businesses that invest in our state. The 21st Century Jobs Fund, the brownfield redevelopment program, the Capital Access and Charter One Job Creation Loan Programs, and other initiatives give agricultural producers even more reasons to come to and stay in Michigan.
- **Signing the Seed Preemption Bill.** The Governor signed PA 132 on 5/5/2006, ensuring a stable, consistent, and scientifically-based regulatory environment for Michigan farmers by preempting local seed regulation.
- **Attending the Bio 2006 Conference.** Governor Granholm attended the Bio 2006 Conference in Chicago to meet with cutting-edge businesses and bring home jobs and investment for Michigan agriculture.

5. Using Our Fields to Fuel Our Future

- **Putting ethanol plants on the ground in Michigan.** In 2002, Michigan's first ethanol plant opened. Since then, four more plants have broken ground and one, in Albion, opened very recently. When all four are online, Michigan's ethanol production will at least quadruple and they will bring Michigan 200 jobs and over \$350 million in investment. In the last week, another company announced intentions to put two more plants in Northwest Michigan, creating an even more exciting opportunity for Michigan agriculture.
- **Partnering with Michigan autos and retailers to bring ethanol to the motoring public.** In spring 2006, the Granholm administration announced that the state was partnering with GM, Meijer, and CleanFUEL USA to bring E85 to at least 20 retail locations throughout Southeast Michigan within the next year and to Lansing, Grand Rapids, and other markets over the following years. When the Governor took office, there were only four ethanol pumps in the state; now there are 16, and more are continually being added. On July 7th, the Governor signed legislation that will create and administer matching grant programs to provide incentives for service station and bulk plant owners to provide biodiesel and E85.
- **Creating retail incentives for ethanol and biodiesel.** The Granholm administration has successfully worked with the Michigan legislature to put in place retail-level incentives for ethanol and biodiesel. On July 7th, the governor signed bills that will reduce the gas tax on gasoline that is at least 70% ethanol and diesel that is at least 5% biodiesel to 12¢/gallon.

- **Enabling farmers to generate energy from agricultural waste.** On June 30th, the Governor signed legislation that enables farmers to obtain up to \$200,000 in loans for methane digesters.
- **Using Renaissance Zones to enable agricultural alternative energy producers to flourish and expand.** In July 2006, the Governor signed bills to authorize the creation of 10 new Renaissance Zones for renewable energy and up to 40 Renaissance Zones for agricultural processing.
- **“Walking the Walk” at the state level.** The Governor is leading by example, by making sure the car she drives in is an E85 flex-fuel vehicle. Through the state’s partnership with GM and CleanFUELS USA, the state is placing ethanol pumps at its fleet fueling stations for its over 1,800 flexible fuel vehicles. The state plans to have ethanol pumps at all of its fueling stations within the next two years.